

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7415

BILL NUMBER: HB 1973

DATE PREPARED: Mar 6, 2001

BILL AMENDED: Mar 5, 2001

SUBJECT: Corn Marketing Council.

FISCAL ANALYST: Bernadette Bartlett

PHONE NUMBER: 232-9586

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill amends the definition of "market development." The bill changes the composition of the council member districts. The Dean of the Purdue University School of Agriculture, two representatives of first purchaser organizations, and two members of the General Assembly are members of the Council. A producer who seeks to be placed on the ballot must have a petition signed by 10 other producers. The Council may not spend more than 10% of the money it receives in administrative costs. The bill makes a voluntary rate of assessment of one half cent per bushel for corn and makes the rate of assessment one dollar to fifty cents per unit for seed corn based on the qualified seed retailer's sales the previous year. The bill allows a producer to be excluded from an assessment and allows a qualified seed retailer to retain a 3% handling fee on assessments. The bill repeals a provision (1) concerning refunds of assessments; and a provision that allows a referendum to establish or terminate the Indiana Corn Marketing Council. The bill also establishes procedures for the initial election of council members. It also staggers the terms of the initial members.

Effective Date: May 15, 2001; July 1, 2001.

Explanation of State Expenditures: (Revised) Legislative members of the Council would be entitled to \$112 per diem. Assuming that the Commission met 12 times during the year, per diem costs are estimated at \$2,688 (2 legislative members multiplied by \$112 multiplied by 12 meetings). Per diem for legislative members would be paid by the Council.

Purdue University Extension Services would have to provide ballots for the initial election of Council members. An estimated 30,000 corn producers in the state would be eligible to vote. The Indiana Corn Marketing Council would reimburse the Office of the Commissioner of Agriculture for expenses of the election and providing forms after assessments on corn begin to be collected.

Explanation of State Revenues: (Revised) This bill makes a voluntary rate of assessment of one half cent per bushel for corn and makes the rate of assessment one dollar to fifty cents per unit for seed corn. The money collected is deposited with the Indiana Corn Marketing Council and not in the State General Fund nor a state dedicated fund. The proposal is expected to generate about \$2 M per year.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Office of the Commissioner of Agriculture and Purdue University Extensions.

Local Agencies Affected:

Information Sources: Mike Aylesworth, President, Indiana Corn Marketing Council, (219) 405-9980.